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COUNTRY Mexico/Central America/South America
SUBJECT Petroleum -- Reserves, Drilling and Production

CIA

DATE

30 Jun 54

PLACE ACQUIRED
(BY SOURCE)

25X1A

DATE ACQUIRED
(BY SOURCE)

DATE (OF INFO) up to 24 May 54

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No 163 May 24, 1954: Operators are Active Exploring Eastern & Western Peru: Eastern Peru is receiving increasing attention on the part of the oil operators in Peru. The following operators are making a joint air survey in Eastern Peru- Socony; Texas; Peruvian Pacific (Cities Service); Richmond (Standard of Cal); Peruvian Oils & Minerals; cia. Peruana de Petroleo El Oriente. This joint survey is being carried out by Servicio Aereo Fotografico Nacional and is expected to take some 2 years, covering 40,000 sq.km.

Meanwhile the airborne magnetometer survey of Socony's concessions in eastern Peru- Marañon River has started. A twin engined Beechcraft of the Fairchild Co has arrived for this survey. The latter is expected to take some 2 to 3 months to complete.

Pacific Littoral Wildcat Drilling: Union Oil Co which holds a 40% interest in Petroleo Sullana spudded in its third wildcat in Sechura Piura-2 on May 13. The well will be drilled in a block which was acquired from Conocora block No 5. To date drilling is now at or below 679 ft. Piura 1 which was spudded in during April and abandoned on May 6 last was drilled to 2900 ft instead of 3700 ft as reported in Bulletin 162 of May 17. The same rig is being used- having been moved to its new location in one week.

I.P.C. is moving its National 130 rig to its new location Viru 5-X-1- Spudding-in date has not been announced. I.P.C. has 3 seismograph crews in Peru- 1 in the International Lobitos concession- 2 crews in Sechura, one in northern and the other in southern Sechura. One gravimetry crew is also in Sechura.

Peruvian Pacific is drilling Tablazos -10-1 wildcat having spudded in on May 3d last, now drilling below 1200 ft.

P H Schoppel, of Pettolera Amotape will be returning by mid June. This firm plans to recondition an old well using the "Sand Frac" system for this purpose.

Douglas well DF-1 has been suspended, pending installation of larger rig, last reported at 4960 ft. DL-1 drilled to 7200 ft cemented 7" string at 6440 ft.

In Colombia- Richmond continues drilling Buchado 1 now at 11,145 ft 1 week 10,475 = 670'

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Concession Status in Venezuela & Oil Reserves: According to the Minister's report to Congress, active concessions in Venezuela as of Jan 1, 1954 covered a total of 6,205,719 h. = 15 million acres. Relinquishments during the past year totalled 71,000 h. (177,000 acres) held to be unattractive from an exploration standpoint. Since the area of the country is 91,205,000 h. of which 35 million h. are considered possibly petroliferous, the area under concession is 17.7% of the "possible" oil land. No specific mention or recommendation is reported on the granting of new concessions by the Government, suspended since Sept 1945.

Venezuela Oil Reserves: According to Ministry data Venezuela's oil reserves as of Jan 1 were placed at 10,401,300,000 B. New oil discovered plus extension of known fields amounted to 1,165,500,000 B. According to Ministry data oil output is below the MER, particularly during 1953. For Jan of 1953 the MER was placed at 1,925,249 B/D whereas production was 1,791,448 B/D and as of October 1953 the comparison was: 1,953,282 B/D MER to 1,735,862 B/D of output or 167,420 B/D below the MER. Taking the oil reserves figure above the 1953 oil output of 644,220,062 B. represents an annual offtake of 6.2% of reserves. This compares with the U.S. offtake index of 5.15% as shown in Bulletin 160 of May 3. This would indicate that Venezuela could increase its oil output without affecting the MER whereas the U.S. could lower output.

Crude refined in Venezuela in 1953 amounted to 23.4% of oil output- some uninformed demands in the Caracas press would have this raised to 60%- these were tactfully countered by the Minister pointing to the great postwar increase in refining capacity all over the world and lower demand for imported oil products in the world market.

Bolivia - Oil Statistics: The Y.P.F.B. the Government agency operating the oil industry in Bolivia has just issued a booklet- Oil Statistics of Bolivia covering 1925-1953. In 28 years oil output went from 2677 B. to 600,834 B. and 1954 may triple the 1953 figure, now 4979 B/D compared to 1669 B/D in 1953. Refining started in 1931. Sales started in 1938. Bolivia is now almost self sufficient and some exports are taking place. In 1953 66,793 B. of crude and 5573 B. of fuel oil were exported. Besides Y.P.F.B. Glenn McCarthy of Houston is wildcatting with 1 rig and if Los Monos structure is proved up with current drilling- exports will increase greatly.

Colombia - Esso Shares Attractive Investment: In March 1952 Esso Colombiana shares were offered to the public at Ps 10 (\$4). International Pet. agreed to sell up to 40% of its holdings in this marketing firm to Colombians. During the week they were quoted at Ps 15 and reached the high of Ps 17 per share. At Ps 15 the holder receives 9.6% return per year. Esso increased its dividend from Ps 1.20 to Ps 1.44 per share/year just recently. Consumption: 33,700 B/D now.

As of May 15 - Rigs Active in Venezuela

Operator:	Mamg	Creole	Shell	Texas	Varco	Philps	Socony	Snolar	Richd	Entec	Total
Eastern Vz.	29	5	3	11	3	2	6	3	1	1	63 rigs
Western Vz.	1	8	25	3					2		39 rigs
Workover		7				2	2	1			12 rigs
Cleanouts				1				5			6 rigs
Repair					1				2		3 rigs
Total:	29	20	28	15	4	4	8	9	5	1	123 rigs

Crude Oil Production of Venezuela

Jan: 1,909,441 B/D Feb: 1,907,889 B/D March: 1,871,956 B/D Week ending:
 April 26 = 1,812,481 B/D
 May 3 = 1,822,533 B/D

Drilling activities: Company reports
 Oil production B/D: Official data- Ministry

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May 19, 1954 Reports: Summary of Oil Drilling & Production in Colombia

Operator:	Interoil	Shell	Texas	Empressa	Colpet	Richmond	Total
Rigs active:	3	2	7	3	4	1	20 rigs
Rigging up/moving in	1			1	2		4
Weekly footage:	812	1,815	7509	2,495	3,323	1027	16,981 ft
Oil output-April B/D:	637	47,829	5654	33,270	26,211		113,601 B/D
Condensate:				2,101	877		116,579 B/D
Wells- Spudded:							
Jan-April '54	1	0	12	7	9	0	29 wells
Wells Completed:							
Jan-April '54	2	1	0	7	13		31 wells

To April 1954- Oil Drilling & Production in Chile

Time	Oil Output		Rigs Active		Oil Well Completions				Footage - Meters	
	Barrels	B/D	Dev.	Explor.	Oil	Gas	Dry	Total	Drilled	Drilled
1953	1,258,357	3447	2	3	13	3	14	30	228,485'	= 69,642.4 m.
1954										
Jan	140,528	4553	2	3	0	2	1	3	26,735	= 8,149.00 m.
Feb	130,722	4669	3	2	1	1	0	2	12,363	= 3,768.20 m.
March	132,567	4276	2	3	0	1	2	3	27,058	= 8,246.35
April	134,840	4495	1	5	1	0	3	4	18,256	= 5,564.25

Production in Chile is obtained from 3 fields. Oil Output in cubic meters during April from these was as follows: Manantiales: 2 056.7 cu.meters; Sobrero 9 321.5 c.m.; Victoria N. 3 149.9 c.m.; Victoria Sur 3 515.2 c.m. Chasacillo 796.1 Sur: 467.7 c.m. Chillan 1 528.9 c.m. Side: 46.0 Total: 21,438.0 cu. meters = 134,840 Barrels US.

Four wells were completed to the following depths: 2 253.5 m. = 7394 ft Laguna Blanca
1 606.5 m. = 5533 ft Cullen
2 342.0 m. = 7684 ft Victoria N.
2 308.0 m. = 7573 ft Victoria S.23

Status of Oil Operations in South America- Compared

Country:	Venezuela	Colombia	Ecuador	Peru	Bolivia	Chile	Brazil	Trinidad	South America Total
Rigs active	123	24	9	21	7	6	8	26	224 rigs
Oil Output B/D									
February:	1,907,889	118,012		47,489	4627	4669	2176	63,402	2,148,264 B/D
March	1,871,956	117,038	+	51,305	4979	4276	+	+	+ pending
Wells Completed									
Jan-Feb	87	19	+	41	2	5	7	27	188 wells
Mar	+	8		21	0	3	+	+	+ pending

Rigs Active in South America- Compared

Continent	United States	South America	Canada Western	Western Europe	Africa	Middle East	Asia Others	Total World
Rigs active:	2594	224	162	211	39	35	79	3427 rigs

Total includes: 83 rigs in Mexico 1 Cuba.

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